



Billing Code 6329-39-P

U.S. OFFICE OF PERSONNEL MANAGEMENT

January 2017 Pay Schedules

AGENCY: U.S. Office of Personnel Management (OPM).

ACTION: Notice.

SUMMARY: The President has signed an Executive order to implement the January 2017 pay adjustments for certain Federal civilian employees. The Executive order authorizes a 1 percent across-the-board increase for statutory pay systems and locality pay increases costing approximately 1.1 percent of basic payroll, reflecting an overall average pay increase of 2.1 percent. This notice serves as documentation for the public record.

FOR FURTHER INFORMATION CONTACT: Lisa Dismond, Pay and Leave, Employee Services, U.S. Office of Personnel Management, (202) 606-2858 or pay-leave-policy@opm.gov.

SUPPLEMENTARY INFORMATION: On December 27, 2016, the President signed Executive Order (E.O.) 13756 (81 FR 97099), which implemented the January 2017 pay adjustments. The Executive order provides an overall average pay increase of 2.1 percent for the statutory pay systems. This is consistent with the President's alternative pay plan issued under 5 U.S.C. 5303(b) on August 31, 2016, and the President's alternative pay plan issued under 5 U.S.C. 5304a on December 8, 2016.

The publication of this notice satisfies the requirement in Section 5(b) of E. O. 13756 that the U.S. Office of Personnel Management (OPM) publish appropriate notice of the 2017 locality payments in the *Federal Register*.

Schedule 1 of E.O. 13756 provides the rates for the 2017 General Schedule (GS) and reflects a 1 percent increase from 2016. Executive Order 13756 also includes the percentage amounts of the 2017 locality payments. (See Section 5 and Schedule 9 of Executive Order 13756.)

All GS employees receive locality payments under 5 U.S.C. 5304. Locality payments apply in the United States (as defined in 5 U.S.C. 5921(4)) and its territories and possessions. In 2017, locality payments ranging from 15.06 percent to 38.17 percent apply to GS employees in the 47 locality pay areas. The 2017 locality pay area definitions can be found at:

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2017/locality-pay-area-definitions/>.

The 2017 locality pay percentages became effective on the first day of the first pay period beginning on or after January 1, 2017 (January 8, 2017). An employee's locality rate of pay is computed by increasing his or her scheduled annual rate of pay (as defined in 5 CFR 531.602) by the applicable locality pay percentage. (See 5 CFR 531.604 and 531.609.)

Executive Order 13756 establishes the new Executive Schedule which incorporates a 1 percent increase required under 5 U.S.C. 5318 (rounded to the nearest \$100). By law, Executive Schedule officials are not authorized to receive locality payments.

Executive Order 13756 establishes the 2017 range of rates of basic pay for members of the Senior Executive Service (SES) under 5 U.S.C. 5382. The minimum rate of basic pay for the SES is \$124,406 in 2017. The maximum rate of the SES rate range is \$187,000 (level II of the Executive Schedule) for SES members who are covered by a certified SES performance appraisal system and \$172,100 (level III of the Executive Schedule) for SES members who are not covered

by a certified SES performance appraisal system.

The minimum rate of basic pay for the senior-level (SL) and scientific and professional (ST) rate range was increased by 1 percent (\$124,406 in 2017), which is the amount of the across-the-board GS increase. The applicable maximum rate of the SL/ST rate range is \$187,000 (level II of the Executive Schedule) for SL or ST employees who are covered by a certified SL/ST performance appraisal system and \$172,100 (level III of the Executive Schedule) for SL or ST employees who are not covered by a certified SL/ST performance appraisal system. Agencies with certified performance appraisal systems for SES members and employees in SL and ST positions must also apply a higher aggregate limitation on pay—up to the Vice President’s salary (\$240,100 in 2017.)

Note that Section 101 of the Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law 114-254, December 10, 2016) provides continuing appropriations to Federal agencies through April 28, 2017, or the date of enactment of specified appropriations legislation. Under this continuing resolution, the authority and conditions provided in FY 2016 appropriations laws continue to apply. This language means that the freeze on the payable pay rates for certain senior political appointees at 2013 levels—as provided in section 738 of division E of the Consolidated Appropriations Act, 2016, Public Law 114-113, December 18, 2015—continues into calendar year 2017. On January 10, 2017, OPM issued a memorandum (CPM 2017-02) on the pay freeze for certain senior political officials. (See

Executive Order 13756 provides that the rates of basic pay for administrative law judges (ALJs) under 5 U.S.C. 5372 are increased by 1 percent, rounded to the nearest \$100 in 2017.

The rate of basic pay for AL-1 is \$161,900 (equivalent to the rate for level IV of the Executive Schedule). The rate of basic pay for AL-2 is \$157,900. The rates of basic pay for AL-3/A through 3/F range from \$108,100 to \$149,600.

The rates of basic pay for members of Contract Appeals Boards are calculated as a percentage of the rate for level IV of the Executive Schedule. (See 5 U.S.C. 5372a.) Therefore, these rates of basic pay are increased by 1 percent in 2017.

On November 17, 2016, OPM issued a memorandum on behalf of the President's Pay Agent (the Secretary of Labor and the Directors of the Office of Management and Budget and OPM) that continues GS locality payments for ALJs and certain other non-GS employee categories in 2017. By law, EX officials, SES members, employees in SL/ST positions, and employees in certain other equivalent pay systems are not authorized to receive locality payments. (Note: An exception applies to certain grandfathered SES, SL, and ST employees stationed in a nonforeign area on January 2, 2010. See CPM 2009-27 at <https://www.chcoc.gov/content/nonforeign-area-retirement-equity-assurance-act>.) The memo is available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/continuation-of-locality-payments-for-non-general-schedule-employees-november-17-2016.pdf>.

On December 27, 2016, OPM issued a memorandum (CPM 2016-20) on the January 2017 pay adjustments. (See <https://www.chcoc.gov/content/january-2017-pay-adjustments>.) The memorandum transmitted Executive Order 13756 and provided the 2017 salary tables, locality pay areas and percentages, and information on general pay administration matters and other related information. The "2017 Salary Tables" posted on OPM's Web site

at <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/> are the official rates of pay for affected employees and are hereby incorporated as part of this notice.

U.S. Office of Personnel Management.

Kathleen M. McGettigan,
Acting Director.

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